



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-864, A-201-850, A-570-102]

Certain Fabricated Structural Steel from Canada, Mexico, and the People's Republic of China:  
Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: Applicable February 25, 2019.

FOR FURTHER INFORMATION CONTACT: David Goldberger at (202) 482-4136 (Canada);

Alice Maldonado at (202) 482-4682 (the People's Republic of China (China)); and Jeffrey

Pedersen at (202) 482-2769 (Mexico); AD/CVD Operations, Enforcement and Compliance,

International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue,  
NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On February 4, 2019, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) Petitions concerning imports of certain fabricated structural steel (fabricated structural steel) from Canada, China, and Mexico, which were subsequently amended on February 21, 2019.<sup>1</sup> The Petitions, as amended, were filed in proper form by a subgroup of the American Institute of Steel Construction, LLC, a trade association representing domestic producers of fabricated structural steel. Specifically, the petitioner is the American Institute of

---

<sup>1</sup> See the petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties on Certain Fabricated Structural Steel from Canada, Mexico, and the People's Republic of China," dated February 4, 2019, as amended on February 21, 2019 (the Petitions).

Steel Construction Full Member Subgroup (the petitioner). The AD Petitions were accompanied by countervailing duty (CVD) Petitions concerning imports of fabricated structural steel from Canada, China, and Mexico.

On February 7, 2019, Commerce requested supplemental information pertaining to certain aspects of the Petitions in separate supplemental questionnaires.<sup>2</sup> Responses to the supplemental questionnaires were filed on February 11 and 12, 2019.<sup>3</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of fabricated structural steel from Canada, China, and Mexico are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing fabricated structural steel in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting its allegations.

Section 771(9)(E) of the Act states that “a trade or business association” is an interested party if “a majority” of its “members manufacture, produce, or wholesale a domestic like product in the United States. Based on information contained in the petitioner’s amended Petition

---

<sup>2</sup> See Commerce Letters, “Re: Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Fabricated Structural Steel from Canada, the People’s Republic of China, and Mexico: Supplemental Questions;” “Re: Petition for the Imposition of Antidumping Duties on Imports of Certain Fabricated Structural Steel from Canada: Supplemental Questions;” “Re: Petition for the Imposition of Antidumping Duties on Imports of Certain Fabricated Structural Steel from Mexico: Supplemental Questions;” and “Re: Petition for the Imposition of Antidumping Duties on Imports of Certain Fabricated Structural Steel from the People’s Republic of China: Supplemental Questions.” All of these documents are dated February 7, 2019.

<sup>3</sup> See the petitioner’s Letters, “Re: Certain Fabricated Structural Steel from Canada: Responses to Supplemental Questions on Canada AD Volume III of the Petition” (Canada AD Supplement); “Re: Certain Fabricated Structural Steel from Mexico: Response to Supplemental Questions on Mexico AD Volume III of the Petition” (Mexico AD Supplement); and “Re: Certain Fabricated Structural Steel from the People’s Republic of China: Responses to Supplemental Questions on China AD Volume IV of the Petition” (China AD Supplement). All of these documents are dated February 11, 2019; *see also* Petitioner’s Letter, “Re: Certain Fabricated Structural Steel from Canada, Mexico, and the People’s Republic of China: Responses to Supplemental Questions on General and Injury Volume I of the Petition,” dated February 12, 2019 (General Issues Supplement).

submission of February 21, 2019,<sup>4</sup> as well as its prior submissions pertaining to the membership of the American Institute of Steel Construction, LLC,<sup>5</sup> Commerce finds that the petitioner satisfactorily showed that a majority of its members manufacture, produce, or wholesale a domestic like product in the United States, and therefore the Petitions, as amended, have been filed on behalf of the domestic industry. Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested AD investigations.<sup>6</sup>

#### Periods of Investigation

Because the Petitions were filed on February 4, 2019, and amended on February 21, 2019, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for the Canada and Mexico investigations is January 1, 2018, through December 31, 2018. Because China is a non-market economy (NME) country, pursuant to 19 CFR 351.204(b)(1), the POI for the China investigation is July 1, 2018, through December 31, 2018.

#### Scope of the Investigations

The product covered by these investigations is fabricated structural steel from Canada, China, and Mexico. For a full description of the scope of these investigations, *see* the Appendix to this notice.

---

<sup>4</sup> See the petitioner's Letter, "Certain Fabricated Structural Steel from Canada, Mexico, and the People's Republic of China: Amendment to Petition to Clarify Petitioner," dated February 21, 2019 (Amendment to the Petitions) at 2.

<sup>5</sup> See the petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties on Certain Fabricated Structural Steel from Canada, Mexico, and the People's Republic of China," dated February 4, 2019 at Exhibit I-2.

<sup>6</sup> See "Antidumping Duty Investigation Initiation Checklist: Certain Fabricated Structural Steel from Canada (Canada AD Initiation Checklist); Antidumping Duty Investigation Initiation Checklist: Certain Fabricated Structural Steel from the People's Republic of China (China AD Initiation Checklist); and Antidumping Duty Investigation Initiation Checklist: Certain Fabricated Structural Steel from Mexico (Mexico AD Initiation Checklist). These checklists are dated concurrently with, and hereby adopted by, this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

## Scope Comments

During our review of the Petitions, Commerce contacted the petitioner regarding the proposed scope language to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.<sup>7</sup> As a result, the scope of the Petitions was modified to clarify the description of merchandise covered by the Petitions. The description of the merchandise covered by these initiations, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope), including potential overlap with existing orders.<sup>8</sup> To the extent that the scope of any of these investigations overlaps with existing AD/CVD orders, any products covered by that overlap will be excluded from the scope of the relevant investigation. Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determination. If scope comments include factual information,<sup>9</sup> all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit scope comments by 5:00 p.m. Eastern Time (ET) on March 18, 2019, which is the next business day after 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual

---

<sup>7</sup> See Memorandum, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Fabricated Structural Steel from Canada, the People's Republic of China, and Mexico: Phone Call with Counsel to the Petitioner," dated February 21, 2019; see also the petitioner's Letter, "Certain Fabricated Structural Steel from Canada, Mexico, and the People's Republic of China: Revision to Scope," dated February 22, 2019.

<sup>8</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>9</sup> See 19 CFR 351.102(b)(21) (defining "factual information").

information, must be filed by 5:00 p.m. ET on March 28, 2019, which is 10 calendar days from the initial comments deadline.<sup>10</sup>

Commerce requests that any factual information parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of the concurrent AD and CVD investigations.

#### Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>11</sup> An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

#### Comments on Product Characteristics for AD Questionnaires

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of fabricated structural steel to be reported in response to Commerce's AD questionnaires. This information will be used to identify the key physical characteristics of

---

<sup>10</sup> See 19 CFR 351.303(b).

<sup>11</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

the subject merchandise in order to report the relevant factors of production (FOPs) accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product characteristics, and (2) product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe fabricated structural steel, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on March 18, 2019, which is the next business day after 20 calendar days from the signature date of this notice.<sup>12</sup> Any rebuttal comments must be filed by 5:00 p.m. ET on March 25, 2019. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the AD investigations.

---

<sup>12</sup> See 19 CFR 351.303(b).

### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,<sup>13</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in

---

<sup>13</sup> See section 771(10) of the Act.

different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>14</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the Petitions.<sup>15</sup> Based on our analysis of the information submitted on the record, we have determined that fabricated structural steel, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.<sup>16</sup>

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the Appendix to this notice. To establish industry support, the petitioner provided its own production of the domestic like product in 2017.<sup>17</sup> The petitioner estimated the production of the domestic like product for the entire domestic industry based on shipment data, because production data for the entire domestic industry are not available, and shipments are a close approximation of production in the

---

<sup>14</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

<sup>15</sup> See Volume I of the Petitions, at 14-16 and Exhibit I-5; *see also* General Issues Supplement, at 1-3.

<sup>16</sup> For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, *see* Canada AD Initiation Checklist, at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Certain Fabricated Structural Steel from Canada, the People’s Republic of China, and Mexico (Attachment II); China AD Initiation Checklist at Attachment II; and Mexico AD Initiation Checklist at Attachment II.

<sup>17</sup> See Volume I of the Petitions, at 2-3 and Exhibit I-4.



fabricated structural steel industry.<sup>18</sup> The petitioner compared its production to the estimated total production of the domestic like product for the entire domestic industry.<sup>19</sup> We relied on data provided by the petitioner for purposes of measuring industry support.<sup>20</sup>

On February 12 and February 13, 2019, we received comments on industry support from Canada, the provincial government of Québec, and Mexico, respectively.<sup>21</sup> The petitioner responded to the Canada's and Mexico's comments on February 19, 2019.<sup>22</sup>

On February 19, 2019, we received comments on industry support from Corey, S.A. de C.V. (Corey), a Mexican producer and exporter of fabricated structural steel.<sup>23</sup>

The petitioner responded to the comments from Corey on February 21, 2019.<sup>24</sup> In addition, the petitioner subsequently clarified and amended the Petitions on February 21, 2019, in response to the comments from Canada, Mexico, and Corey.<sup>25</sup> During consultations held with respect to the Canada and Mexico CVD petitions, Canada and Mexico discussed industry support comments and provided additional comments in the respective CVD consultation papers.<sup>26</sup> On

---

<sup>18</sup> *Id.* at 2-3 and Exhibits I-3 and I-4; *see also* General Issues Supplement, at 3-6.

<sup>19</sup> *See* Volume I of the Petitions, at 2-3.

<sup>20</sup> *Id.* at 2-3 and Exhibit I-3 and I-4; *see also* General Issues Supplement, at 3-6. For further discussion, *see* Canada AD Initiation Checklist, at Attachment II; China AD Initiation Checklist, at Attachment II; and Mexico AD Initiation Checklist, at Attachment II.

<sup>21</sup> *See* Letter from the Government of Canada, the Government of Québec, and Export Development Canada, "Fabricated Structural Steel from Canada (A-122-864 and C-122-865) – Request for Postponement of Initiation and Disclosure of Members of Petitioner American Institute of Steel Construction and Identities of Known Domestic Producers," dated February 12, 2019 (Canada Letter); *see also* Letter from the Government of Mexico, "Fabricated Structural Steel from Mexico (A-201-850 and C-201-851) – Request to Dismiss Petitions or Otherwise Postpone Initiation," dated February 13, 2019 (Mexico Letter).

<sup>22</sup> *See* the petitioner's Letter, "Certain Fabricated Structural Steel from Canada and Mexico: Response to Respondents' Request to Reject Petitions or Postpone Initiation," dated February 19, 2019.

<sup>23</sup> *See* Letter from Corey, "Fabricated Structural Steel from Mexico: Standing Challenge – Request to Decline Initiation of Antidumping and Countervailing Duty Investigations," dated February 19, 2019.

<sup>24</sup> *See* the petitioner's Letter, "Certain Fabricated Structural Steel from Canada and Mexico: Response to Respondents' Standing Challenge and Request to Decline Initiation," dated February 21, 2019.

<sup>25</sup> *See* Amendment to the Petitions.

<sup>26</sup> *See* Ex-Parte Memorandum, "Meeting with Officials from the Government of Mexico on the Countervailing Duty Petition on Certain Fabricated Structural Steel from Mexico" dated February 19, 2019; *see also* Memorandum, "Countervailing Duty Petition on Certain Fabricated Structural Steel from Canada: GOC Consultations," dated February 21, 2019; *see also* Letter from Mexico, "Fabricated Structural Steel from Mexico (C-201-851) –

February 22, 2019, we received additional comments on industry support from Canada, Québec, and Mexico.<sup>27</sup> The petitioner responded to Canada's, Québec's, and Mexico's comments on February 25, 2019.<sup>28</sup> For further discussion of these comments, *see* the country-specific AD initiation checklists, at Attachment II.

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.<sup>29</sup> First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>30</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.<sup>31</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry

---

Submission of Consultations Paper,” dated February 20, 2019; *see also* Letter from Canada, “Fabricated Structural Steel from Canada (A-122-864 and C-122-865) – Consultations Paper.

<sup>27</sup> *See* Letter from Québec, “Fabricated Structural Steel from Canada, (A-122-864 and C-122-865): Response to AISC Amendment to Petition,” dated February 22, 2019; *see also* Letter from Canada, “Fabricated Structural Steel from Canada (A-122-864 and C-122-865) – Response to AISC Amendment to Petition,” dated February 22, 2019; *see also* Letter from Mexico, “Fabricated Structural Steel from Mexico (C-201-851, A-201-850) – Comments on Change of Petitioner,” dated February 22, 2019.

<sup>28</sup> *See* Letter from the petitioner, “Certain Fabricated Structural Steel from Canada, Mexico, and the People’s Republic of China,” dated February 25, 2019.

<sup>29</sup> *See* Canada AD Initiation Checklist, at Attachment II; China AD Initiation Checklist, at Attachment II; and Mexico AD Initiation Checklist, at Attachment II.

<sup>30</sup> *See* section 732(c)(4)(D) of the Act; *see also* Canada AD Initiation Checklist, at Attachment II; China AD Initiation Checklist, at Attachment II; and Mexico AD Initiation Checklist, at Attachment II.

<sup>31</sup> *See* Canada AD Initiation Checklist, at Attachment II; China AD Initiation Checklist, at Attachment II; and Mexico AD Initiation Checklist, at Attachment II.

expressing support for, or opposition to, the Petitions.<sup>32</sup> Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

#### Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at LTFV. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>33</sup>

The petitioner contends that the industry's injured condition is illustrated by the significant volume and increasing market share of subject imports; reduced market share of the U.S. industry; underselling and price depression or suppression; declines in production, shipments, and capacity utilization; negative impact on employment variables; decline in the domestic industry's financial performance; and lost sales and revenues.<sup>34</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, negligibility, as well as cumulation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.<sup>35</sup>

#### Allegations of Sales at LTFV

The following is a description of the allegation of sales at LTFV upon which Commerce based its decision to initiate AD investigations of imports of fabricated structural steel from Canada, China, and Mexico. The sources of data for the deductions and adjustments relating to

---

<sup>32</sup> *Id.*

<sup>33</sup> See Volume I of the Petitions, at 22 and Exhibit I-8.

<sup>34</sup> *Id.* at 11-41 and Exhibits I-3, I-5, I-8, I-10 through I-22; see also General Issues Supplement, at 6.

<sup>35</sup> See Canada AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Fabricated Structural Steel from Canada, the People's Republic of China, and Mexico (Attachment III); see also China AD Initiation Checklist, at Attachment III; see also Mexico AD Initiation Checklist, at Attachment III.

U.S. price and normal value (NV) are discussed in greater detail in the AD Initiation Checklist for each country.

#### Export Price

For China and Mexico, the petitioner based export price (EP) on pricing information for fabricated structural steel produced in, and exported from, those countries and sold or offered for sale in the United States.<sup>36</sup> For China, the petitioner deducted from U.S. price foreign inland freight, foreign brokerage and handling, ocean freight and insurance, and U.S. port expenses.<sup>37</sup> For Mexico, the petitioner deducted from U.S. price foreign inland freight, foreign brokerage and handling, U.S. brokerage and handling, and U.S. inland freight.<sup>38</sup>

#### Constructed Export Price

For Canada, because the petitioner had reason to believe that the sale was made on a constructed export price (CEP) basis,<sup>39</sup> the petitioner based CEP on pricing information for fabricated structural steel produced in Canada by a Canadian producer and sold or offered for sale in the United States.<sup>40</sup> The petitioner made deductions from U.S. price for foreign inland freight (including foreign inland insurance and foreign brokerage and handling), U.S. inland freight, and U.S. brokerage and handling charges.<sup>41</sup> The petitioner also deducted further manufacturing expenses and CEP profit from U.S. price.<sup>42</sup>

#### Normal Value

---

<sup>36</sup> See China and Mexico AD Initiation Checklists; *see also* See Volume IV of the Petition, at 3 and Exhibit IV-2.

<sup>37</sup> See Volume IV of the Petition at 4; *see also* China AD Supplement, at Exhibit IV-Supp-2.

<sup>38</sup> See the Mexico AD Initiation Checklist at 7-8 and Volume IV of the Petition at 5-6.

<sup>39</sup> See Canada AD Supplement, at 1. The petitioner requested business proprietary treatment for the information regarding why it believes the offer for sale was made on a CEP basis.

<sup>40</sup> See Canada AD Initiation Checklist.

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

For Canada and Mexico, the petitioner was unable to obtain information relating to the prices charged for fabricated structural steel in Canada and Mexico, or any third country market.<sup>43</sup> The petitioner noted that fabricated structural steel is a specialized product which is sold to specific classes of customers and for special projects and, with few exceptions, no two fabricated structural steel projects are identical.<sup>44</sup> Because home market and third country prices were not reasonably available, the petitioners calculated NV based on constructed value (CV). For further discussion of CV, *see* the section “Normal Value Based on Constructed Value” below.<sup>45</sup>

With respect to China, Commerce considers China to be an NME country.<sup>46</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. Therefore, we continue to treat China as an NME country for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.<sup>47</sup>

The Petitions claim Brazil is an appropriate surrogate country for China because it is a market economy country that is at a level of economic development comparable to that of China, and it is a significant producer of identical merchandise.<sup>48</sup> The Petitions provided publicly-

---

<sup>43</sup> See Canada and Mexico AD Initiation Checklists.

<sup>44</sup> See Volume II of the Petition, at 11; and Volume III of the Petition, at 9.

<sup>45</sup> In accordance section 773(b)(2) of the Act, for this investigation, Commerce will request information necessary to calculate the CV and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product.

<sup>46</sup> See *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017), and accompanying decision memorandum, *China's Status as a Non-Market Economy*, unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

<sup>47</sup> See China AD Initiation Checklist.

<sup>48</sup> See Volume IV of the Petition, at 9-10 and Exhibit IV-11.

available information from Brazil to value all FOPs.<sup>49</sup> However, the Petitions relied upon the financial statement of Grupo Carso, S.A.B. de C.V. (Carso), a Mexican producer of fabricated structural steel, to value financial ratios (*i.e.*, manufacturing overhead, selling, general and administrative (SG&A) expenses, and profit) because the petitioner stated that it attempted to locate the financial ratios of a producer of identical or comparable merchandise in Brazil; however, “many companies within Brazil have reported net losses for their most recent fiscal years or have been required to report ‘qualified’ financial statements.”<sup>50</sup> Therefore, based on the information provided by the petitioner, we determine that it is appropriate to use Brazil as the primary surrogate country, but rely on the financial statement of a Mexican producer of fabricated structural steel to value financial ratios, for initiation purposes.

---

<sup>49</sup> *Id.* at 16 and Exhibit IV-17

<sup>50</sup> *Id.* at 18 and Exhibits IV-10 and IV-21.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

#### Factors of Production

Because information regarding the volume of inputs consumed by the Chinese producer/exporter was not reasonably available, the Petitions used the product-specific consumption rates of a U.S. fabricated structural steel producer as a surrogate to estimate the Chinese manufacturer's FOPs.<sup>51</sup> The Petitions valued the estimated FOPs using surrogate values from Brazil, as noted above.<sup>52</sup> The Petitions used an average exchange rate to convert the data to U.S. dollars, where applicable.<sup>53</sup>

#### Normal Value Based on Constructed Value

As noted above, because home market and third country prices were not available for Mexico and Canada, the Petitions based NV on CV.<sup>54</sup> Pursuant to section 773(e) of the Act, CV consists of the cost of manufacturing (COM), SG&A expenses, financial expenses, and profit.<sup>55</sup>

For Canada and Mexico, the Petitions calculated the COM based on the input factors of production and usage rates from a U.S. producer of fabricated structural steel. The input factors of production were valued using publicly available data on costs specific to Canada and Mexico during the proposed POI.<sup>56</sup> Specifically, the prices for raw materials (and propane for Canada)

---

<sup>51</sup> *Id.* at 11 and Exhibit IV-12.

<sup>52</sup> *Id.* at 16 and Exhibits IV-17; *see also* China AD Supplement at Exhibit IV-Supp-3.

<sup>53</sup> *See* Volume IV of the Petition at 15 and Exhibit IV-16.

<sup>54</sup> *See* Volume II of the Petition at 11; and Volume III of the Petition at 9.

<sup>55</sup> *See* Canada AD Initiation Checklist and Mexico AD Initiation Checklist.

<sup>56</sup> *Id.*

were valued using publicly available import and domestic price data for Canada and Mexico.<sup>57</sup>

Labor and energy costs were valued using publicly available sources for Canada and Mexico.<sup>58</sup>

For Canada, the Petitions relied on the fiscal year (FY) 2017 audited financial statements of Empire Industries Limited (Empire), a Canadian producer of fabricated structural steel, to determine the per-unit factory overhead costs associated with the production of fabricated structural steel.<sup>59</sup> The Petitions also relied on Empire's FY 2017 audited financial statements to determine the SG&A expense ratio used to calculate the per-unit SG&A expenses and the financial expense ratio<sup>60</sup> used to calculate the per-unit financial expenses.<sup>61</sup> To determine the profit rate, the Petitions relied on Empire's FY 2017 audited financial statements.<sup>62</sup> Because Empire operated at a loss for FY 2017, the Petitions conservatively did not include an amount for profit in the calculation of CV.

For Mexico, the Petitions calculated factory overhead, SG&A, interest and profit based on the 2017 audited financial statements of Carso, a Mexican producer of fabricated structural steel.<sup>63</sup>

#### Fair Value Comparisons

Based on the data provided by the Petitions, there is reason to believe that imports of fabricated structural steel from Canada, China, and Mexico are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP, or CEP, to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for fabricated structural steel for

---

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> See Volume II of the Petition at 18 and Exhibit II-22A and Exhibit II-22B.

<sup>60</sup> See Canada AD Initiation Checklist.

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

<sup>63</sup> See Mexico AD Initiation Checklist.



each of the countries covered by this initiation are as follows: (1) Canada – 30.41 percent;<sup>64</sup> (2) China – 222.35 percent;<sup>65</sup> and (3) Mexico – 30.58 percent.<sup>66</sup>

#### Initiation of LTFV Investigations

Based upon the examination of the Petitions and supplemental responses, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of fabricated structural steel from Canada, China, and Mexico are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

#### Respondent Selection

With respect to Canada and Mexico, the petitioner named 50 companies in Canada<sup>67</sup> and 18 companies in Mexico,<sup>68</sup> as producers/exporters of fabricated structural steel. Following standard practice in AD investigations involving market economy countries, in the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon Commerce's resources, where appropriate, Commerce intends to select respondents in Canada and Mexico based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate Harmonized Tariff Schedule of the United States (HTSUS) numbers listed with the scope in the Appendix, below.<sup>69</sup>

With respect to China, the petitioners named 220 producers/exporters of fabricated structural steel in China. In AD investigations involving NME countries, Commerce selects

---

<sup>64</sup> See Canada AD Initiation Checklist.

<sup>65</sup> See China AD Initiation Checklist.

<sup>66</sup> See Mexico AD Initiation Checklist.

<sup>67</sup> See Volume I of the Petitions, at Exhibit I-7.

<sup>68</sup> *Id.*

<sup>69</sup> See, e.g., *Polyester Textured Yarn from India and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 83 FR 58223, 58227 (November 19, 2018).

respondents based on quantity and value (Q&V) questionnaires in cases where it cannot individually examine each company based upon its resources. After considering the large number of producers and exporters identified in the Petition, and considering the resources that must be used by Commerce to mail Q&V questionnaires to all of these companies, Commerce has determined that we do not have sufficient administrative resources to mail Q&V questionnaires to all 220 identified producers and exporters. Therefore, Commerce has determined to limit the number of Q&V questionnaires it will send out to exporters and producers based on CBP data for imports during the POI under the appropriate HTSUS numbers listed with the scope in the Appendix, below. Accordingly, Commerce will send Q&V questionnaires to the largest producers and exporters that are identified in the CBP data for which there is address information on the record.

On February 25, 2019, Commerce released CBP data on imports of fabricated structural steel from Canada, China, and Mexico under APO to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data must do so within three business days of the publication date of the notice of initiation of these investigations.<sup>70</sup> We further stated that we will not accept rebuttal comments.

In addition, Commerce will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance web site at <http://www.trade.gov/enforcement/news.asp>. In accordance with our standard practice for respondent selection in AD cases involving NME

---

<sup>70</sup> See Memoranda, “Less-Than-Fair-Value Investigation of Certain Fabricated Structural Steel from Canada: Release of U.S. Customs and Border Protection Data;” “Less-Than-Fair-Value Investigation of Certain Fabricated Structural Steel from the People’s Republic of China: Release of U.S. Customs and Border Protection Data;” and “Less-Than-Fair-Value Investigation of Certain Fabricated Structural Steel from Mexico: Release of U.S. Customs and Border Protection Data,” dated February 25, 2019

countries, we intend to base respondent selection on the responses to the Q&V questionnaire that we receive.

Producers/exporters of fabricated structural steel from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement & Compliance's website. The Q&V response must be submitted by the relevant Chinese exporters/producers no later than 5:00 p.m. ET on March 15, 2019. All Q&V responses must be filed electronically via ACCESS.

#### Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.<sup>71</sup> The specific requirements for submitting a separate-rate application in the China investigation are outlined in detail in the application itself, which is available on Commerce's web site at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.<sup>72</sup>

Exporters and producers who submit a separate-rate application and are selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate-rate consideration.

---

<sup>71</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

<sup>72</sup> Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

### Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.<sup>73</sup>

### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of Canada, China, and Mexico *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

### ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

### Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of fabricated structural steel

---

<sup>73</sup> See Policy Bulletin 05.1 at 6 (emphasis added).

from Canada, China, and/or Mexico are materially injuring, or threatening material injury to, a U.S. industry.<sup>74</sup> A negative ITC determination for any country will result in the investigation being terminated with respect to that country.<sup>75</sup> Otherwise, the investigations will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Section 351.301(b) of Commerce’s regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>76</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>77</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

#### Particular Market Situation Allegation

Section 504 of the Trade Preferences Extension Act of 2015 amended the Act by adding the concept of particular market situation (PMS) for purposes of CV under section 773(e) of the

---

<sup>74</sup> See section 733(a) of the Act.

<sup>75</sup> *Id.*

<sup>76</sup> See 19 CFR 351.301(b).

<sup>77</sup> See 19 CFR 351.301(b)(2).

Act.<sup>78</sup> Section 773(e) of the Act states that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation methodology under this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act nor 19 CFR 351.301(c)(2)(v) set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent’s initial section D questionnaire response.

#### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by

---

<sup>78</sup> See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>79</sup> Parties must use the certification formats provided in 19 CFR 351.303(g).<sup>80</sup> Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

---

<sup>79</sup> See section 782(b) of the Act.

<sup>80</sup> See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: February 25, 2019.

Gary Taverman,  
*Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.*



## **Appendix**

### **Scope of the Investigations**

The merchandise covered by these investigations is carbon and alloy fabricated structural steel. Fabricated structural steel is made from steel in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is two percent or less by weight. Fabricated structural steel products are steel products that have been fabricated for erection or assembly into structures, including, but not limited to, buildings (commercial, office, institutional, and multi-family residential); industrial and utility projects; parking decks; arenas and convention centers; medical facilities; and ports, transportation and infrastructure facilities. Fabricated structural steel is manufactured from carbon and alloy (including stainless) steel products such as angles, columns, beams, girders, plates, flange shapes (including manufactured structural shapes utilizing welded plates as a substitute for rolled wide flange sections), channels, hollow structural section (HSS) shapes, base plates, and plate-work components. Fabrication includes, but is not limited to cutting, drilling, welding, joining, bolting, bending, punching, pressure fitting, molding, grooving, adhesion, beveling, and riveting and may include items such as fasteners, nuts, bolts, rivets, screws, hinges, or joints.

The inclusion, attachment, joining, or assembly of non-steel components with fabricated structural steel does not remove the fabricated structural steel from the scope.

Fabricated structural steel is covered by the scope of the investigations regardless of whether it is painted, varnished, or coated with plastics or other metallic or non-metallic substances and regardless of whether it is assembled or partially assembled, such as into modules, modularized construction units, or sub-assemblies of fabricated structural steel.

Subject merchandise includes fabricated structural steel that has been assembled or further processed in the subject country or a third country, including but not limited to painting, varnishing, trimming, cutting, drilling, welding, joining, bolting, punching, bending, beveling, riveting, galvanizing, coating, and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the fabricated structural steel.

Specifically excluded from the scope of these investigations are:

1. Fabricated steel concrete reinforcing bar (rebar) if: (i) it is a unitary piece of fabricated rebar, not joined, welded, or otherwise connected with any other steel product or part; or (ii) it is joined, welded, or otherwise connected only to other rebar.
2. Fabricated structural steel for bridges and bridge sections that meets American Association of State and Highway and Transportation Officials (AASHTO) bridge construction requirements or any state or local derivatives of the AASHTO bridge construction requirements.
3. Pre-engineered metal building systems, which are defined as complete metal buildings

that integrate steel framing, roofing and walls to form one, pre-engineered building system, that meet Metal Building Manufacturers Association guide specifications. Pre-engineered metal building systems are typically limited in height to no more than 60 feet or two stories.

4. Steel roof and floor decking systems that meet Steel Deck Institute standards.
5. Open web steel bar joists and joist girders that meet Steel Joist Institute specifications.

The products subject to the investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings: 7308.90.3000, 7308.90.6000, and 7308.90.9590.

The products subject to the investigations may also enter under the following HTSUS subheadings: 7216.91.0010, 7216.91.0090, 7216.99.0010, 7216.99.0090, 7222.40.6000, 7228.70.6000, 7301.10.0000, 7301.20.1000, 7301.20.5000, 7308.40.0000, 7308.90.9530, and 9406.90.0030.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigations is dispositive.

[FR Doc. 2019-03818 Filed: 3/1/2019 8:45 am; Publication Date: 3/4/2019]